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28 February 1978

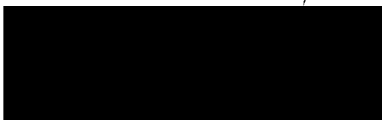
MEMORANDUM FOR: Director of Security
Director of Logistics
Director of Finance

FROM: John F. Blake
Deputy Director for Administration

SUBJECT: Report on Industrial Contracts and
Industrial Security

1. There is attached a copy of subject report along with copies of memoranda I have written both to the DCI and to other addressees on this matter.

2. I would like to receive from each of the addressees your position on the recommendations as they pertain to your responsibilities by 24 March. We will probably have a joint discussion on this report during the week of 27 March which will be prior to the EAG meeting.



John F. Blake

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28 February 1978

MEMORANDUM FOR: Director of the National Foreign Assessment
Center
Deputy Director for Operations
Deputy Director for Science and Technology
General Counsel
Acting Legislative Counsel
Inspector General
Comptroller
Director, Equal Employment Opportunity

FROM: John F. Blake
Deputy Director for Administration

SUBJECT: Report on Industrial Contracts and
Industrial Security


1. I have attached a copy of subject report plus a memorandum I have written on this matter to the Director. That memorandum outlines the course of action we will take to bring our collective judgment to bear on this issue.


2. I am asking the Comptroller to schedule a special and expanded EAG meeting in the first week of April to discuss this matter. I am further asking the Comptroller to extend an invitation to all addressees plus the Directors of Security, Logistics, and Finance to attend that particular EAG meeting.


John F. Blake

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28 February 1978

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: John F. Blake
Deputy Director for Administration

SUBJECT: Report on Industrial Contracts and
Industrial Security

1. It is with pleasure I forward for your reading the attached report on "Industrial Contracts and Industrial Security."

2. Background on the report is as follows. As a result of the Boyce/Lee case it was determined that steps had to be taken to strengthen the industrial security program of the Agency. The DCI asked that this matter be given intensive attention. I had long felt that the time had arrived for a comprehensive review of all aspects of the Agency's contracting program. In addition to industrial security, which plays a supporting role in the contracting program, the functions of Logistics, Security, and Audit are heavily involved. The last major study was made in 1966 and that fact alone bore heavily on my reasoning. The DCI agreed with the overall approach and on 16 September 1977, as the Acting DDCI, I launched the undertaking. Because of the Director's known high interest in industrial security that was given first priority for consideration and an interim report on that matter was submitted to the Director in December 1977.

3. I now propose the following course of action. I would like to suggest that you gentlemen, at your convenience, familiarize yourself with the contents of this report. In so doing, I believe it would make sense if you first read the memorandum contained in Appendix I which established the parameters of this comprehensive review. I am simultaneously sending copies of the study to the other Agency deputies, heads of the appropriate independent offices, and to [REDACTED]. We will then take action to schedule a meeting of the Executive Advisory Group to discuss the reports recommendations. Following that meeting the EAG will present their position on adopting the recommendations to the DCI.

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John F. Blake

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21 FEB 1978

MEMORANDUM FOR: Deputy Director for Administration

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FROM:

Chairman, Task Force on Industrial
Contracts and Industrial SecuritySUBJECT: Report on Industrial Contracts
and Industrial SecurityREFERENCE: ER 77-2339 dated 16 Sept 1977, Subject:
Comprehensive Review of Responsibilities
for Industrial Contracts and Industrial
Security

1. I am pleased to submit the attached Report on Industrial Contracts and Industrial Security. It has not been distributed except to the members of the Task Force pending your review.

2. The Industrial Security Interim Report previously submitted in December 1977 is included in this final report as Appendix II. Additional recommendations on industrial security responsive to the Director's annotations of the Interim Report are included in Section II of this final report.

3. I believe that the adoption of the Task Force recommendations will strengthen the authority, responsibilities and oversight of those charged with the management of Agency and national programs without destroying the flexibility and security which are vital to the successful completion of our industrial contract programs.

4. I speak for all members of the Task Force when I say that this has been a challenging and rewarding experience.

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Attachment

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